Green Isn’t Always Ethical

Fossil-free is one thing. Weapons, surveillance and labour are another. Know what you’re actually screening out.

Two different questions

“Green” usually means **fossil-free / low-carbon**. “Ethical” is broader — it can also mean no weapons, no tobacco, no human-rights abuses, no exploitative labour. A fund can be one without the other, and most people don’t realise the difference until they look at the holdings.

Where ‘green’ funds still raise eyebrows

- **Big Tech.** Most sustainable funds are stuffed with Apple, Alphabet, Microsoft and NVIDIA — low-carbon, yes, but campaigners (e.g. UK Divest, on Nest’s Ethical Fund) flag supply-chain, labour and tax concerns. ‘Fossil-free’ can still mean ‘owns the whole tech complex.’
- **Weapons and defence.** Since 2022, some in the industry have argued defence belongs in ‘ESG’. Many ‘sustainable’ funds exclude controversial weapons but not all defence — check the wording.
- **Conduct controversies.** Ethical Consumer downgraded Aviva to a ‘brand to avoid’ over investments linked to arms sales — a reminder that a strong climate score doesn’t guarantee a clean record elsewhere.

So decide what YOU care about

There’s no single ‘ethical’ — it depends on your values. Climate only? Then a fossil-free fund does the job. Also want weapons, tobacco and human-rights screens? You’ll need a stricter *ethical* fund (e.g. Nest Ethical screens many of these; Triodos goes furthest with a ‘beyond exclusions’ impact approach). The trade-off: the stricter the screen, the narrower the universe — sometimes with higher fees or more volatility. The key move is the same as for greenwashing: **read the exclusion list and the top holdings** before you decide.

General information, not financial advice. Sources: UK Divest (Nest Ethical Fund critique); Ethical Consumer (Aviva); provider exclusion policies. Named funds are illustrations, not recommendations.